

Tax Payer Procedure for Obtaining Exemption

Any person desiring tax exemption in connection with LERTA shall apply to the City of Bradford at the time a building permit application is submitted. The application shall be in writing on forms specified by the City and shall contain the following information:

- The date the building permit was issued for said improvement
- The location of the property to be improved
- The nature of the property to be improved (home, apartment building)
- The type of improvement
- The summary of the plan of improvement
- The cost of the improvement
- The property has been inspected and verified by the City of Bradford

Types of improvements you may wish to employ on your residential property:

- Construction on exterior or interior of structure
- Reconstruction including alterations and additions
- New construction
- Building additions

Ordinary upkeep and maintenance is not eligible.

The LERTA Program is available through the cooperation of:

City of Bradford
McKean County Commissioners
Bradford Area School District

For More Information Contact:

Office of Economic & Community Development
20 Russell Boulevard
Bradford, PA 16701
(814) 368-7170
www.bradfordpa.org

City of Bradford



Residential LERTA

**Local Economic Revitalization
Tax Assistance Program**

Did you know that as a Bradford City residential property owner you may be eligible for a real estate tax abatement for up to five (5) years on improvements or new construction you plan to undertake? For five (5) years immediately following the year in which the improvement becomes assessable, the following real estate tax exempt schedule shall be in effect:

<u>Period</u>	<u>Improvement Portion Exempt</u>
First Year	100%
Second Year	80%
Third Year	60%
Fourth Year	40%
Fifth Year	20%

After the fifth year, the exemption shall terminate.

In order to give you, the property owner, an incentive for renovating or rebuilding, the City Council has adopted the Residential LERTA program. Too often, a major deterrent to improving deteriorated property has been that improvements result in higher property value and, therefore, higher property taxes. The higher taxes can discourage property owners from making the needed investment. LERTA provides an incentive for making an investment toward a more prosperous and beautiful Bradford.

LERTA, which stands for Local Economic Revitalization Tax Assistance, allows local taxing authorities to exempt improvements to property if the property is located within the boundaries of the City of Bradford.

Example of How the LERTA Program Can Help You:

Assessment rate:	100%	
Total Millage	50.14	
\$50,000.00		Improvements on Structure
X 100%		Assessment Rate
\$50,000.00		New Assessed Value
X.05014		Total Tax Millage
\$ 2,507.00		New Property Tax Payable

Tax Savings With LERTA Utilizing Above Example:

Year	<u>Taxes Payable</u>	<u>Taxes Payable</u>	Annual LERTA Savings
	No LERTA	With LERTA	
1	\$2,507.00	0	\$2,507.00
2	\$2,507.00	\$501.40	\$2,005.60
3	\$2,507.00	\$1,002.80	\$1,502.20
4	\$2,507.00	\$1,502.20	\$1,002.80
5	\$2,507.00	\$2,005.60	\$501.40
6	\$2,507.00	\$2,507.00	0
Total	\$15,042.00	\$7,519.00	\$7,519.00

After the fifth year, the total taxes payable on improvements would be \$2,507.00. The total savings in taxes during the five-year period of the LERTA program will be \$7,519.00.

This example deals with an improvement of an existing structure and the LERTA program applies only to new taxes resulting from the improvement. Existing real estate taxes are not part of the LERTA program.